

**SMALL SCHOOL DISTRICT
AND COUNTY OFFICE OF EDUCATION
PRE-1977 SCHOOL BUS
REPLACEMENT/RECONDITIONING
PROGRAM**

Program Information

Fiscal Year 2004-05

**CALIFORNIA DEPARTMENT OF EDUCATION
SCHOOL FISCAL SERVICES DIVISION
SACRAMENTO, CALIFORNIA**

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1 PURPOSE

This manual contains the criteria and general information needed to apply for fiscal year 2004-05 grants that may be available to small school districts and county offices of education with average daily attendance (ADA) below 2501 for pre-1977 school bus replacement, reconditioning, and fleet expansion.

2 WHO IS ELIGIBLE TO APPLY

<u>LEAs</u>	<u>ADA</u>	<u>Authority</u>
Small school districts and county offices of education	less than 2,501	<i>Education Code</i> sections 42290-42293 42301.1 and 42303

2.1 ADA - Sources and exclusions

Eligibility to apply is based on average daily attendance. For school districts and county offices of education, the ADA data to be used will be from the 2002-03 attendance reports.

To equitably compare county office of education and school district ADA, certain types of ADA will be excluded from county office of education total ADA:

- County School Tuition Fund
- Juvenile Halls, Homes, and Camps
- County Jail Program
- Regional Occupational Programs - Not Concurrently Enrolled
- Special Education - Nonpublic, Nonsectarian Schools
- Apprentices (*Labor Code* Section 3074)
- State Hospital Students in County Operated Special Day Classes

Excluded from school district ADA will be the types above (where applicable) and the Adult Education ADA for high school and unified school districts.

2.2 Small school districts

Any school district under 2,501 ADA is eligible to apply for a portion of any funding in the 2004 Budget Act provided for small school bus replacement. This continues the program begun with Senate Bill 813 (Chapter 498, Statutes of 1983).

2.3 County offices of education

County offices of education under 2,501 ADA are also eligible to apply.

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2.4 Cooperatives and joint powers agreements

School districts and county offices of education participating in cooperatives and joint powers agencies (JPAs) for pupil transportation are eligible to apply, but applications must be filed by or on behalf of the participating agency and not for the cooperative or JPA. Contact Leslie McCage at (916) 324-4537 or by e-mail at lmccage@cde.ca.gov for special instructions on providing a listing of members and their share of the total bus fleet.

3 FUNDING PRIORITIES

The priority for grants is in the order established in statute: (1) replacement, (2) reconditioning, and (3) expansion of the bus fleet.

3.1 Replacement

Available funds will first be allocated to bus replacement until all eligible applications are funded at the rate of one bus per applicant.

Replacement is limited to the "...purchase of new schoolbuses to replace existing schoolbuses ... that do not conform to [1977] federal safety standards" (*Education Code Section 42291(a)(1)*).

3.2 Reconditioning

If any funds remain after funding replacement applications, grants will be made for reconditioning of pre-1977 buses. Only one application, either for replacement or reconditioning, can be submitted and only one bus can be included on an application. The reconditioning planned must include, but is not limited to, installation of Federal Motor Vehicle Safety Standard 222 seating systems and related strengthening of vehicle floors and frames. School districts and county offices of education contemplating reconditioning are advised to consider the remaining lifetime of the bus and the overall structural strength and condition of the bus, and should confer in advance with the California Highway Patrol (CHP) regarding the approval process for the reconditioning. It is not likely that funds will be available for reconditioning.

3.3 Expansion

If any funds remain after funding all applications in the first two priorities, grants will be made for fleet expansion at the rate of one bus per agency. Given the level of statewide needs for bus replacement, it is unlikely that funds will remain for applications in this category.

4 QUALIFYING CRITERIA AND RANKING METHODS

4.1 Statutory requirements

As specified in *Education Code* Section 42291(c): "The State Department of Education shall develop priority categories for funding under this section which are based solely on vehicle age and mileage. Seventy-five percent of the funds available in any fiscal year for the purposes of this

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section shall be distributed to school districts and county offices of education based on priority categories which utilize only vehicle age, mileage, and type of vehicle. Twenty-five percent of the funds available in any fiscal year for purposes of this section shall be allocated based upon the condition of the vehicles to be replaced. School districts and county offices of education shall submit as evidence of the condition of the vehicle to be replaced, the most recent CHP inspection report, a repair estimate made by an independent repair shop, and any other information requested by the department."

Separate legislation, Assembly Bill 204 (Chapter 60, Statutes of 1986) requires that the Department of Education allocate funds for replacement and reconditioning of pre-1977 special education vehicles in the same proportion as the percentage of special education vehicles of the total number of school buses in the state.

4.2 Replacement

There are two different methods of qualifying for bus replacement: (1) the excess age of the bus, and (2) the condition of the pre-1977 bus. Neither method requires asking the CHP to "red tag" the bus.

4.2.1 Age

Of the funds available, 75 percent will be set aside for replacement based on the following table of vehicle size, expressed as the Gross Vehicle Weight Rating (GVWR), and age:

<u>GVWR (pounds)</u>	<u>Minimum Age (years)</u>
- 9,999	7
10,000 - 14,999	10
15,000 - 23,999	15
24,000 - 26,999	15
27,000 - 33,999	20
34,000 - 37,999	20
38,000 -	25

The above table allows various types and models to be compared on an equitable basis based on "excess years." Excess Years = 2005 less the date of manufacture less the minimum age from the above table. For example:

<u>Type of Bus</u>	<u>GVWR</u>	<u>Minimum Age (yrs)</u>	<u>Excess Years</u>
1974 transit	33,000	20	11 (2005-1974-20=11)
1977 conventional	26,000	15	13 (2005-1977-15=13)
1976 van	11,000	10	19 (2005-1976-10=19)

The "excess years" for each vehicle will be the basis for ranking applications for bus replacement in this category of funding. Repair estimates will not be required for applications of this type.

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However, copies of the most recent CHP inspection report (Form 343A) and inspection approval certificate (Form 292), will be required to verify that the bus is currently certified for use as a school bus.

4.2.2 Condition

Twenty-five percent of replacement funds will be allocated based on the condition of the vehicle.

4.2.2.1 Major structural damage

Major structural damage due to rust, accident, or any other serious condition resulting in major damage to the bus may qualify an applicant for a grant. Fire and vandalism are other possible qualifying reasons.

4.2.2.2 Not repairable

Buses needing major repairs and for which repair parts are not available may qualify a school district or county office of education for a grant. Statements from manufacturers or authorized dealers will be needed to verify the inability to obtain repair parts.

4.2.2.3 High maintenance costs are not qualifying

High maintenance costs are not a basis for qualifying for a grant based on vehicle condition. Only unique conditions rendering a bus unusable due to major safety defects and/or not being repairable will be considered in this category of application. High maintenance cost buses may be applied for replacement under the age category.

4.3 Evidence required

If the bus is not listed on the Report of School Buses generated from Form J-143, you must include proof of date of purchase and purchase price; otherwise the application will be rejected.

If applying to replace a bus based on age, include a copy of CHP Form 292 (Inspection Approval Certificate). **SEND NO OTHER DOCUMENTATION EXCEPT AS NOTED ABOVE.** If applying to replace a bus based on condition, include copies of the following:

- (1) CHP Form 292 (Inspection Approval Certificate)
- (2) CHP Form 343A (Vehicle/Equipment Inspection Report)
- (3) Repair estimates from an independent repair facility. Estimates from another school district or county superintendent of schools performing such repairs are also acceptable. Estimates must include installation of Federal Motor Vehicle Safety Standard 222 seating systems and related strengthening of vehicle floors and frames. The supporting documentation needed will vary according to the existing conditions and may include: special reports or statements from the motor carrier inspection staff of the CHP, surveys from recognized school bus rebuilders, insurance adjusters' reports, photographs of damage, or any other appropriate means of documentation. Applications without the proper documentation will be processed based on age.

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5 LIMITATIONS

5.1 Replacement of old bus

School districts and county offices of education applying for and accepting grants for bus replacement must either dispose of the old school bus or permanently remove the vehicle from school bus service. For a school district or county office of education with fewer than three school buses, a bus shall be considered disposed but may still be used to transport pupils if the bus is designated a temporary school bus. A temporary school bus shall be limited to annual mileage of no more than 10 percent of the annual mileage in the agency over the prior five years. School districts and county offices of education may also dispose of the bus by converting it to perform duties other than pupil transportation. For example, after removing lights and signs and painting the vehicles, a few old vans and school buses have been converted to maintenance and operations vehicles and mobile computer labs.

5.2 Sale of old bus

A school district that receives funding for the replacement of a school bus may sell that bus to another school district in the state pursuant to *Education Code* Section 42303 if:

- 1) the purchasing school district is replacing a bus that is in service and has not been designated a temporary school bus pursuant to *Education Code* Section 42291.5,
- 2) the bus being replaced by the purchasing school district is older than the bus it is buying,
- 3) the bus being replaced by the purchasing school district is not sold to another school district,
- 4) the purchasing school district by resolution from its governing board holds both the State and the selling school district harmless for any liability that may result from the bus that is the subject of the sale,
- 5) the proceeds from the sale of the bus are used by the selling school district for home-to-school transportation, and
- 6) the bus being sold is in compliance with all relevant provisions of the Vehicle Code and Title 13 of the California Code of Regulations.

5.3 Buses purchased

Only new buses may be purchased with grant funds.

5.4 Replacing buses purchased "used"

Applications for replacement or reconditioning grants for old buses purchased "used" from another school district or county office of education will be denied where a previous grant funded replacement of the bus. Applications for replacement of buses purchased "used" since July 1, 1983 and not involving any previous grant will be limited to the amount paid for the bus.

5.5 Bus out of service

Buses out of service at the time of application may be considered for grants provided the date of removal from service was not before September 1, 2002. Buses removed from service between

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September 1, 2001 and September 1, 2002 for which a 2003-04 grant application based on age could not be funded, must either be put back into service to qualify for a 2004-05 grant or must qualify based on condition for a 2004-05 grant. A CHP certification as a school bus must have been in effect up to the date of removal from service stated in the application for a grant.

6 AMOUNT OF GRANTS

The amount of individual grants will vary by type of application.

6.1 Replacement

Bus replacement grant amounts will be based on the estimated price of a new vehicle of the same seating capacity as the bus being replaced. The most recent State Department of General Services contract prices for school buses provides the basis for estimating the grant amounts. As noted in Section 5.4 above, bus replacement grants for buses purchased used since July 1, 1983 will be limited to the price paid for the used vehicle.

The total apportionment a school district or county office of education will receive is determined by subtracting the sale price of the old bus from the actual cost of the new bus. If the old bus will be retained for non-school bus use or as a temporary bus pursuant to *Education Code* Section 42291.5, substitute an appraised value for the sale price of the old bus. If the resulting net local cost is greater than the grant amount determined by the California Department of Education (CDE), the school district or county office of education will receive the full grant. It is usual for school districts and county offices of education to select new buses that are specially equipped for local terrain and climatic conditions and are, therefore, more expensive than grant amounts. The effect then, of subtracting the sales prices or appraised values for old buses from the actual costs of the new buses is that school districts and county offices of education have been receiving full, unreduced grants.

It should be noted that current local needs and decision making will determine the bus type, size, and optional equipment to be purchased.

6.2 Reconditioning

Grants for reconditioning, if funds remain after grants for replacement have been made, will be limited to about \$15,000 per applicant. It is generally not cost efficient to invest large amounts of money reconditioning buses that are near the end of their useful life.

6.3 Expansion

Fleet expansion grant amounts will be based on the estimated price of a new vehicle of the seating capacity needed by the school district or county office of education. The most recent State Department of General Services contract prices for school buses provides the basis for estimating the grant amounts.

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7 CALENDAR FOR APPLICATIONS

All applicants for grants must use the standard application form "APPLICATION FOR FUNDING," Form SDE-100 supplied by CDE.

<u>Date</u>	<u>Action</u>
August 21, 2003	Applications/instructions available
August 22, 2003 to October 30, 2003	Applications prepared
October 31, 2003	Due date for filing applications
November 1, 2003 to December 31, 2003	Applications processed
January 2, 2004 to February 14, 2004	Applicants notified of ranking to be used if funds available in 2004-05 (if not listed, you must trace application and provide copy of CDE signature for further consideration)
July 1, 2004 to September 30, 2004	Applicants notified of awards or non-qualifying if funds available
August 1, 2004 to October 31, 2004	First apportionment for 25 percent of grant amount if grants awarded
April 1, 2007	Final date to file Request for Final Apportionment if grants awarded
May 1, 2007 to May 30, 2007	Final apportionment for 75 percent of grant amount if grants awarded